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# KETTLE RIVER VALLEY RAILWAY.

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## REPORT OF A MEETING

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### British Columbia Board of Trade,

HELD AT VICTORIA,

ON THE 22nd & 23rd MARCH, 1899.

REPRINTED FROM THE VICTORIA "COLONIST."

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Sixty-five members of the British Columbia Board of Trade—an unusually large percentage—attended the special meeting of that body held yesterday under the chairmanship of President G. A. Kirk to discuss the advisability or otherwise of the board supporting the Corbin application for a Dominion charter for a railway from the United States side of the boundary line into the Kettle River valley, and tapping the wonderfully rich mining district known generally as the Boundary Creek country. This charter, it will be remembered, was sought last year and refused, the board at that time expressing disapproval of the project, as not in the best interests of Canada or of British Columbia. Yesterday's business crystallized into a resolution in the direction of negativizing the action of 1898, with an amendment affirming the stand taken last year, and citing in the preamble numerous reasons for the course then adopted. The case of the charter applicants was very fully and effectively presented by Mr. E. V. Bodwell, who has long acted as solicitor for Mr. Corbin, and is therefore closely in touch with all the facts bearing upon the question; while Messrs. D. R. Ker, Joshua Davies and C. H. Lugrin spoke with force and directness in opposition to the charter application and in support of the amendment. It was all, but six o'clock when

Mr. Lugrin resumed his seat, and as the list of speakers was even then far from exhausted, it was deemed wise to adjourn the debate until to-day at three o'clock. The motion for the continuation was made by Mr. W. H. Ellis, seconded by Mr. J. H. Todd, and generally approved as affording opportunity for those present to digest the arguments pro and con adduced by the four speakers of the afternoon.

In introducing the business of the day, President Kirk traced the history of the Kettle River railway project from its inception, which was promptly transmitted to the board, reading from the minute book as to the action recorded. The council of the board, after hearing the request of the railway promoters for an endorsement of their application, had referred the matter to the special committee on railways, of which Hon. B. W. Pearse was chairman, and this committee in their report at a subsequent council meeting, had said:

"Your committee beg to report that in their opinion the granting of a charter to Mr. Corbin to run a railway into the Kettle River country, from near Fort Sheppard, would, by diverting trade to the south of the boundary, be highly detrimental to the interests of the province, and that this should also be at once brought under the notice of the chairman of the railway committee of the house."

This expression of opinion was concurred in by the council on the 25th of February, 1898, and a telegram was sent to Ottawa, opposing the application for charter. On February 26 this telegram was supplemented by a letter to Hon. A. G. Blair, minister of railways, to the following effect:

"The attention of this board has been directed to the application now before the Dominion parliament for a charter for a railway, being a continuation of the Red Mountain line, running west, parallel with and a few miles north of the boundary. This board is of opinion that the granting of such a charter will be highly detrimental to British Columbia and Canada generally, for such a line would simply tap a country very rich in minerals, making the natural outlet for the same the United States, where it is probable the smelting would be done. The smelting industry is only next in importance to the mining, and should be conserved to Canada. This board has therefore telegraphed to you, urging that the charter be refused. The exact wording of the board's telegram is as follows: 'This board resolved granting of charter Corbin's extension Red Mountain railway highly detrimental to British Columbia interests simply outlet for our ores to be smelted in the United States.'"

And again, on March 2, a second letter was sent Hon. Mr. Blair, as follows:

"When writing to you on the 26th ult., with reference to the application for a charter for the extension of the Red Mountain railway, I omitted to state that this board had placed before it letters from residents of the Boundary country strongly advocating the granting of the charter which this board opposes. The letters in general were from real estate men, and the only reason advanced for the granting of the charter was that the building of the proposed railway would create a boom in the country and enable the writers to dispose of property, which 's becoming a serious burden to the holders; no other reason was cited, and this board decided that the object of a railway should be something more than the above, and instructed me to telegraph you its resolution opposing the granting of a charter to Mr. Corbin."

The Vancouver Board of Trade at about the same time discussed the question of the Corbin charter in all its bearings, the result of their deliberations being incorporated in the following resolution, which was promptly transmitted to Ottawa:

"Whereas a bill has been introduced into the house by Hewitt Bostock, M.P., for a railway from Marcus to run into the Kettle River country of the district of Yale, and while this board deems it of the first importance that a railway should be constructed at the earliest possible time into

that district, it would strongly urge on the federal government the desirability of granting a charter and assistance to a line running east and west through Canada in preference to one running to the American boundary, provided that there is no delay in proceeding with construction."

Here the matter had rested, the application having been refused by the Dominion, until the Victoria members were on the eve of departure for Ottawa to discharge their sessional duties, when they asked for instructions as to the course they should pursue on the application being renewed this year. The present meeting was for the purpose of ascertaining the feeling of the board in order that Messrs. Prior and Earle might proceed in accordance with the opinion of the majority of the city's business men.

"To open the ball," as he expressed it, Mr. A. G. McCandless moved that the resolution of the council passed on February 25 last be rescinded, this resolution finding a seconder in Mr. C. E. Renouf. Neither the mover nor the seconder thought fit to elaborate the matter of the resolution, and the first speaker was therefore

#### MR. E. V. BODWELL.

As he had had occasion, both professionally and as a citizen of Victoria, to consider this matter very thoroughly, and to gather all possible information in connection with it, and feeling it to be a subject deeply and directly concerning the entire province of British Columbia, and the city of Victoria particularly, Mr. Bodwell felt that it was his duty, as well as a privilege, to attend the present meeting and lay before it all the information bearing on the case, with such reasons as appeared to him sound authority for the adoption of such a resolution as had been proposed. Of course, he quite anticipated that all that he might say or do would be characterized as done or said in the capacity of paid solicitor for Mr. Corbin. He was Mr. Corbin's solicitor, it was quite true; but at the same time he hoped that this meeting would give him credit also for some little sincerity in the matter. It was, as he had said, true that he had supported the application for the charter last year, as Mr. Corbin's solicitor, and that he had appeared before the railway committee at Ottawa and done all in his power to advance the application that had been placed in his professional charge, but he would not have done so had there been no other reason than that of a retainer; he would not have advocated the granting of the charter in question as he had, if he had not conscientiously believed that the carrying out of the project in the manner proposed would be of

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great benefit to British Columbia, and to Victoria city more particularly. Nor in such an event would he be at the present meeting, as a member of the board of trade, and as a citizen of Victoria, whose entire interests were identified with the prosperity of this city and province, were he actuated solely by the fact that he had served Mr. Corbin in the capacity of solicitor. In connection with the case at issue, he noted that grave misconceptions of the facts existed. To set these right he might be pardoned if he trespassed longer upon the time of the meeting than he would otherwise. To illustrate how grave a lack of correct information on the subject existed, he might point to an editorial in the Colonist of the morning (reprinted from March 2), in which the following passage occurred:

"It is simply a project intended for no other purpose than to draw away from British Columbia the trade that will be developed largely because of the construction of railways within the province. The Corbin railway, as it is called, is a Washington enterprise, having both its termini in that state."

This view was utterly and entirely incorrect. The road as it was projected started at Northport, in the state of Washington, and went to Cascade City, across the boundary line, crossed the boundary line again at Carson City, and then followed the Kettle river northward into the Boundary Creek district, where it terminated. This assuredly did not bring both termini in the state of Washington. Again another editorial in the same paper said:

"The facts of the case are that there is an important mine in the state of Washington at what is called Republic. It is a producing mine. It is without railway communication. Speaking in regard to the probability of his constructing a railway to Republic as a branch of the Great Northern, President Hill of that road said to the editor of the Seattle Times a few weeks ago, and the editor printed the statement in his paper, that there was not enough business at Republic to warrant the construction of a railway to that point, because there would be no ore to haul away, and the passenger and merchandise business would not be sufficient to keep a railway going. If a railway is to be built from Marcus, in the state of Washington, to Republic, in the state of Washington, it must be so located as to secure the hauling of ore, or no one will put up the money. We are told that Mr. Corbin is a very public-spirited gentleman, and simply wants permission to build railways without asking for a subsidy; but this connection with the Boundary country, which he asks parliament to give him, is his subsidy. With

this he can go to the money market and finance the railway. Without it he cannot. That is to say, the board of trade is to be asked to-day to lend its aid to hand over to the Corbin project the haulage of the Boundary Creek ores in order that he may be able to induce financiers to put up the money to build a railway from Marcus to Republic. This will be a development railway for a portion of the state of Washington, and its construction will be made possible by what is equivalent to a direct bonus from the province of British Columbia."

But here again the Colonist was wrong. The road was not to be built from Marcus to Republic; nor from Northport to Cascade City. It was another mis-statement of fact, indicating a grievous misapprehension of the subject. There were several mines forming a group at Republic, and if this contemplated Kettle River road were built, it was quite probable that a branch line would be run down to Republic; this did not by any means indicate that the road would be continued to Marcus or Spokane. Indeed it was far more to be anticipated that the ores of the Republic camp would find their way to British Columbia for treatment.

They were of such a character that they required to be mixed with the same fluxes as the ores of the Boundary Creek camp, and hence if the branch to Republic were built on the completion of this present projected road, it was to be expected that a great part of the Republic ores would be sent to British Columbia for smelting. There was, he would say positively, and with a full knowledge of Mr. Corbin's plans, absolutely no such scheme in view as building a road from Republic to Marcus or anywhere else, to take the ores of the Boundary country south—although as he had said, Mr. Corbin did contemplate a branch down Curlew creek to the Republic camp, and the hauling of the Republic ores north for treatment.

Proceeding, Mr. Bodwell referred to Mr. Corbin's past railway enterprises in the Kootenay country and the benefit that they had been in the development of that district, the Red Mountain road from Northport to Rossland having been built without any bonus whatever, while the Nelson & Fort Sheppard received a land grant from the provincial authorities. It was unnecessary for him to recite the benefits that had accrued to the Kootenay country, and indirectly to all British Columbia through these several roads, and Mr. Corbin now aimed to create still another avenue of service in the development of the mineral areas of Southern British Columbia.

The ore of the Boundary country was as a general rule low grade—not so val-

able as the ore of the Kootenay, but in infinitely greater bodies. And in this connection the fact should not be lost sight of that the development of a low grade ore district was infinitely more advantageous to a country generally than that of a high grade ore district. More men had necessarily to be employed, and more money was thus expended for supplies. The miner was everywhere known as a good spender, and his average earning of \$800 per year was almost always spent at once. The result was a favorable distribution, a large population, and the prosperity of all business interests.

But the ore of the Boundary country, being low grade, could not possibly be developed as it should be and in a manner profitable to the claim owners and beneficial to the country, unless cheap transportation was first obtained, for the introduction of machinery and the bringing in of supplies. Otherwise it was only possible for the highest grade ore propositions to be opened up.

And herein lay the danger to the country of allowing it to be controlled by one railway company. They found a better profit naturally in hauling limited quantity of freight at a high rate than in handling large quantities at a low figure, and without the incentive of competition they would assuredly make a rate that would only permit the operation of those mines that could pay good freight and still make money out of their ores.

And as to the Boundary Creek country particularly it was certain that if a road did not go in from the south, the C. P. R. would continue to control. They now had all the passes through the Rocky mountains, and although running rights were accorded other lines through the Crow's Nest Pass, the concession was of more value theoretically than actually. The Canadian Pacific railway had last year bought the Columbia & Western charter from Mr. Heinze, so that they would have a secondary main line running through the country from the Crow's Nest Pass. The Grand Trunk railway, the Canadian Pacific railway's great national rival, could not build into the country through either the Kicking Horse or the Crow's Nest Pass, nor could any other company build in from the Coast, for the Canadian Pacific railway would effectually tie up their system at one end.

The Corbin system was the Grand Trunk railway's foothold in Kootenay, and herein alone was the opportunity of obtaining competition, without which there could not be low rates.

As to the cry that had been raised that the construction of Mr. Corbin's roads

had been for the purpose of diverting trade to Spokane at the expense of Canada, it might be said that originally the people of Kootenay went to Spokane for a considerable portion of their supplies, because it was home to them, and in the second place because the Americans were the only ones who had learned at that time the necessities of the country, and were prepared to supply them.

That day had passed, however, and at present Canadians were doing 90 per cent. of the Kootenay trade. In support of this statement he quoted the collector of customs at Rossland and the secretary of the board of trade of that city. Their statements were obtained a year ago, but the assurance was had that the proportions of the trade had not changed materially at the intervening period. At the present time he was authoritatively informed that of all the goods going into Rossland over the Spokane & Northern Railway, an equally large proportion are Canadian goods. To this should be added the large Canadian freight coming in over the C. P. R.

Nine out of every ten cars hauled over the Spokane Falls & Northern Railway to Nelson and Rossland were Canadian cars in bond, and this was easily understood, for the Grand Trunk had its own line to Chicago, with a running arrangement thence to St. Paul. And at St. Paul the cars in bond were conveniently passed to the Northern Pacific railway, which delivered them in turn to the Corbin road at Spokane, Grand Trunk freight going in this manner to Nelson and Rossland.

And the same conditions would naturally prevail in the Boundary country, the Canadian goods holding the trade, and railway connection with the United States never being able to alter the conditions. The rate of duty was always a sufficient protection to the Canadian article, and if at any time it was found that the tariff was insufficient to afford this protection, the remedy was very convenient—a re-adjustment of the tariff. If the duty would not protect, the cutting off of this railway would assuredly have no effect in preventing American goods going in.

If the American articles were to go in the fact of this road not being built would not keep them out. The Canadian Pacific railway would, indeed, be found quite ready and willing to handle all the business of this class offering. The Canadian Pacific railway had now its agents in every part of the United States who were alert and on the lookout for freights for Canada; the Canadian Pacific railway owned in its own name over 2,000 miles of road in the United States for which business had to be made; and if there were shipments of American goods

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to come into British Columbia the Canadian Pacific railway would be found ready and eager to deliver.

The final argument against this projected Kettle River railway was that with it constructed British Columbia ores would be taken to an American smelter, to contribute to a foreign country at the expense of our own. This was a very easy thing to say—but the facts did not justify its being put forward. As in the case of American goods incoming, if British Columbia ores were to be more profitably treated across the line the Canadian Pacific railway would be found quite capable and willing to haul them to one or other of the American smelters—Northport, Omaha, Everett, Tacoma, or Puebla. The Canadian Pacific railway was indeed hauling ore to the American smelters every day—it was business for it to do so. And if this projected road were not built, and it were found that the ores of the Boundary country would have to go to American smelters for treatment, the Canadian Pacific railway would be found on hand to haul the ore out of the province—but at a higher rate than if they had the competition proposed.

As for himself, he was quite confident that the Boundary Creek ores would be smelted at home in any event. Mr. Corbin did not want the hauling of ores out. There was no money in it in comparison with the money to be made in carrying general merchandise into a settled and prosperous country, and it was therefore to Mr. Corbin's interest to build up communities in the Boundary country and have the ores treated there so that he could do his share of the carrying in of goods to those communities. In considering the question of ore treatment, it would have to be remembered that the ores of Kootenay could not be considered in comparison with those of the Boundary country. The former were very silicious, and for their smelting lime and iron fluxes were a first necessity, so that the ore had to be hauled to the lime and iron, or vice versa—the iron and lime must be brought to the ore.

The Boundary Creek ores, on the contrary, are self-fluxing, carrying in themselves all the lime and iron necessary for their treatment. Wood and water were also plentiful in the Boundary country, so that the only requisite to make smelting profitable at Greenwood or Grand Forks appeared to be coke, which at present cost \$11 per ton. Taking the cost of coke requisite for the smelting of one ton of ore in comparison with the cost of the coke for treating a ton of ore at Northport and it would be found that there was an advantage of 85 cents in favor of home smelting. Thus

one mine producing 100 tons of ore a day by having its output smelted at home would save \$30,000 a year. Besides the greater part of these ores would not stand out shipment, showing an average value of \$18.75 per ton, or a smelter value of \$13.36. The cheapest smelting rate was that offered by the Canadian Pacific railway smelter at Trail (\$7.50) and allowing \$1.00 for freight, a profit of \$4.86 on the ton was left the mine operator on the average value ore. If this same ore were sent to the other side of the line it would easily be seen that no money at all would be left the mine owner, and he could not operate.

So excellent an authority as Mr. Hedley, manager of the Hall Mines, at Nelson, was to be cited for the assertion that ores could be treated as cheaply at Boundary as anywhere else in America, and under these circumstances what man was going to send his ores out to be treated at Northport or any other American smelter—particularly as he could build a 100-ton smelter to handle his own ores at a cost of about \$75,000?

The argument that the Corbin road would haul to the smelter over the line had been very effectually disposed of when the matter was before the railway committee last year, and he (Mr. Bodwell) had in Mr. Corbin's behalf offered to submit a regulation—which would be put in the charter applied for this year—granting the Governor-General-in-council power to fix the rate to be charged for the hauling of ore outward. They might very easily make this rate prohibitive, so that the matter was thus effectually disposed of at once.

But the ore would not be hauled out—for economic reasons it would be smelted on the spot.

It had been stated that Mr. Corbin owned a large interest in the Northport smelter—this he denied. Mr. Corbin had not a dollar invested in this smelter. It had been said that he built the Red Mountain railway as a feeder for this smelter—this, too, he denied. And that this Kettle River railway was for the same purpose.

As to the location of the Northport smelter: The Le Roi people were casting about for a location, and found that the only place in the province offering suitable conditions were Rossland, Trail and Waneta. Water could not be obtained at Rossland in sufficient quantity: Trail had to import limestone for fluxing at a cost of \$3 per ton, afterwards reduced to \$2, while Northport had an abundant supply close at hand and which could be delivered at the smelter at 25 cents a ton.

Concluding, Mr. Bodwell read a series of letters on the subject of this smelter location, and continued that the North-

port smelter was not a custom smelter now, and in any event that it was the property of British capitalists although located in the United States. He pronounced Mr. Corbin's projects the greatest factor in the making of Rossland, and thought that the road now proposed would give British Columbia and Victoria an impetus that they could not otherwise obtain, obviating monopolistic control of the Kootenay and Boundary Creek countries by the Canadian Pacific railway with which working freight rates could not possibly be obtained.

#### MR. D. R. KER.

Mr. D. R. Ker, in replying first to Mr. Bodwell, expressed the fear that that gentleman was in the unhappy position of the little boy who told a lie, and repeated that lie so many times that he finally came to believe it as gospel truth himself. Mr. Bodwell had been so long the advocate and special pleader for Mr. Corbin that he could not look upon any project with which that gentleman was identified in an entirely unprejudiced manner. He had, however, made out the best case that could be offered for the Corbin application, while of course neglecting to say anything of how the Boundary country was at the present time being looked after by the construction of the Columbia & Western railway—now being pushed to Cascade City by large forces of men working both day and night.

To build the Columbia & Western over this backbone of the country entailed very much greater expense than was involved in the Corbin plan, the latter costing something like \$18,000 per mile, while the road for making the mines tributary to Canada instead of her rival to the south would cost \$28,000 or \$30,000 a mile—so that it would be seen the land grant in this case cut a very insignificant figure. There was no doubt whatever in his mind that Mr. Corbin's object in this project was to tap the Republic camp, which was proving very rich and attractive; and if he could get in there and at the same time make the Boundary country also a feeder of his railway it would no doubt be a very good thing for him, as the line would be a cheap one to construct comparatively. It would be found, however, that the Columbia & Western met all the requirements of the country, while there was certainly nothing to prevent the Columbia & Western (or the Canadian Pacific railway—for it was really the same thing) from bringing the ores of the Republic camp for smelting on this side of the line.

The Columbia & Western was essentially a road for the benefit of the whole country, as it was eventually to be

extended up to the Okanagan, to Penticton, to provide an outlet and profitable market for the farms of that valley, and make the Shuswap & Okanagan railway a complete and financial success, so that instead of a losing it would speedily become a paying line and the province save some \$20,000 or \$30,000 annually, while the coast at the same time gained a much closer and better connection with the mining country.

As to the necessity of competition in the preservation of legitimate freight rates—the government had already made provision for the regulation of all rates, so that this argument fell to the ground entirely. The Canadian Pacific railway would not as a matter of business policy antagonize or seek to antagonize all Canada, and if they did, the government could step in at any moment and apply the check.

Nor was it the intention of the C. P. R. to build railways alone for the development of the mining region in consideration. They had a very complete and admirable plan for a series of smelters throughout the country, to treat British Columbia ores at home, while he knew of still another smelter company with \$600,000 in the treasury at the present time, prepared to give smelter facilities to the Boundary country at a very early date—this country being one in which smelters can be operated with the greatest advantage, more especially as the Crow's Nest line will enable coal or coke to be brought in cheaply.

Nor was the smelting industry standing still in British Columbia by any means. The smelters were now putting in lead stacks, and an immense trade with China in lead was opening up the ultimate proportions of which it would be hard to conjecture. British Columbia lead, home smelted, being carried to the Orient in our own Canadian steamers.

Again—looking at this railway question from a federal standpoint—the Dominion government at the present time was making a great effort to open up and settle the agricultural areas of the Northwest and Manitoba. A most advantageous market was found in this Boundary Creek mining region, directly to the south of which—over the line—lies an agricultural district in the United States. With the road proposed by Mr. Corbin it would be unfair to expect our own farmers and those of Manitoba and the Northwest to compete with their American rivals closer at hand, while with the Canadian Pacific railway's several systems in operation the mining and the agricultural districts in question might very well be developed to be mutually supporting.

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appeared to him to be—how are we of Victoria to derive any benefit from this so-called competing line. In his own business he did not find low rates the result of competition. Go to the telephone to-day in Victoria and ask the Great Northern, the Northern Pacific or the Canadian Pacific railway for rates to some particular point, and what would be found? You would get the same rate from all. The belief that competition induced reduction of rates was very erroneous when applied in practice—it only induced combination. He knew whereof he spoke in this matter, for he was perhaps the heaviest shipper of any present.

Mr. Bodwell had endeavored to lead the meeting to believe that there was practically no American goods in the Kootenay country, yet statistics showed that the great bulk of the supplies for Rossland, Nelson and Kaslo came from American towns. The hauling of the British Columbia ores out for smelting to Northport or some other of the American towns meant what? Simply so much more in the pockets of the \$65,000,000 American smelting trust that had recently been formed—depleting the mines of this province without any adequate advantage to its inhabitants.

He pointed in this connection to the experience of Ontario in lumbering. Ontario had made no efforts to safeguard its forests from American depredations, and as a result found now to its dismay that they had stamps alone left and hastened to put on an export duty now that the damage had been done. He thought British Columbia might learn from the experience of the sister province, and lock the door before—rather than after—the horse was stolen.

#### MR. JOSHUA DAVIES.

Mr. Davies, as last year, was found opposed to the granting of a charter to Mr. Corbin for his Kettle River railway project. He was opposed to it as a British Columbian of thirty-eight years' standing, and all whose interests were in the province; and he was opposed to it as one not interested in any railways, or merchandise that would be benefited through the carrying out of any of the particular projects under discussion. In order that he might not be guilty of repetition he had prepared for presentation at this meeting his views, which with permission, he would read. They were as follows:

"The notice of meeting of to-day was only received on Saturday afternoon so that there has been hardly sufficient time given for examining thoroughly into all the points which bear upon the object of this meeting as to the advisability of supporting an application for a charter

from the Dominion government for a railway from some point in the United States into the Boundary country by the way of Kettle River valley.

"It must be distinctly shown wherein changed conditions warrant the board in nullifying the action of last year. It must always be considered that the action of the legislative assembly was in keeping with the report made by this board; that was, that no railway charter should be granted in the province of British Columbia, unless they had first the sanction of the legislature of the province.

"The legislation of this year would indicate that provincial rights would be insisted upon and the Dominion government should not grant a charter unless it was first brought before the legislative assembly of the province.

"The action of the board of aldermen, whose duties must be confined to local issues, was certainly mistaken upon their part, as it is doubtful whether any single member of that body knew enough about the Boundary country to intelligently discuss the subject. It is doubtful whether any of its members had ever visited the country under discussion; anyway they had no authority over the citizens of Victoria to interfere or to give an opinion upon questions affecting enterprises outside the city of Victoria.

"Mr. Corbin has received much praise for his building of the Nelson & Fort Sheppard railway and the Red Mountain railway. Certainly he is entitled to some credit, but those railways were built entirely in the interests of the corporations that he represented. The Spokane Falls & Northern railway was built from Spokane to Marcus and was certainly not profitable until the lines were extended into British Columbia. In fact, the country through which that road ran was not sufficiently developed to give sufficient trade for the line and unless the roads were extended into the mining regions of the province to-day, that road would not pay.

"The building of the Nelson & Fort Sheppard railway was much assisted by the efforts of Victorians and possibly other British Columbians. The right of way was given free; its terminal points and way stations; its timber, the timber required for its construction were also given free, and besides which the road was subsidized by the province by the gift of 10,240 acres per mile over its 60 miles of road, aggregating over 600,000 acres. It was shown that there was not sufficient land on the Nelson & Fort Sheppard line to comply with the land grant and subsequently the government gave lands west of the Columbia river, termed lieu lands, which encircle the city of Rossland and covered a block of land

extending from the east side of the Columbia river, westward for about 16 miles, a part of the country which the Nelson & Fort Sheppard did not touch.

"The Nelson & Fort Sheppard when completed and reached Nelson had a great carrying trade of goods into that country and its out-going freight comprised the rich lead ores from the Slocan. Later on the Rossland camp was developed and large quantities of ore were being shipped to the American smelters.

"August F. Heinze built a smelter at Trail and a narrow gauge railway from that point to Rossland and had contracted for the smelting of 75,000 tons of the Le Roi ore. The smelting charges had been \$13, put under contract the transportation from the mines and smelting ore was reduced to \$11 per ton.

"It was on account of the Heinze enterprise that the Corbin management was forced to build the Red Mountain road and later the strong opposition of the railway company, combined with the Le Roi Mining Company, brought about the erection of a smelter at Northport. The fact that the Heinze smelter at Trail must lose the output of the Le Roi mine made it almost certain that the Heinze smelter would be a losing enterprise, and subsequently his railway and smelting interests were sold to the present corporation.

"I have ascertained that the last year's ore tonnage from the Rossland camp to Trail aggregated over 46,000 tons, the largest shipper being the War Eagle, amounting to upwards of 38,000 tons and the Le Roi furnishing 960 and all the other mines the remainder. The shipments to the Northport smelter from the Le Roi exceeded 67,000 tons and from all other mines about 1,300, the total tonnage to the United States smelters amounting to nearly 70,000, while to the Canadian smelters less than 47,000 tons. The total shipments of ore from Rossland during 1898 exceeded 115,000 tons, less than half of which found its way to Canadian smelters.

"I have been told that the pay roll at Trail amounted to nearly \$120,000 for 1898 and other disbursements amounted to nearly \$375,000 besides an expenditure for ore of \$551,000, making a total disbursement of over \$1,000,000. You will therefore readily see how necessary it is that the smelting of the ores of the country shall, if possible, be kept within the province.

"There was no necessity for building the smelter at Northport, ten miles below the boundary line; nor was there any necessity of the Red Mountain railway to have been built partly in the United States and partly in British Columbia for the reason that a better line grade

could have been found within the province of British Columbia. The extension of a line from the United States point into the Boundary will only repeat what has been done in the Rossland camp.

"Our whole province from its eastern boundary as far west as Hope is found to be highly mineralized and we should do all we can to treat the mineral at some point in Canada. The smelter at Northport gives no opportunity for alien labor to be employed, nor does the United States permit an alien to build railways within their territory, but it must be an American company. The laws of British Columbia have been most favorable to the people of all countries while the laws of the United States have been enacted entirely for the interests of their own people.

"The smelting and refining of our minerals means profiting to the great labor market free to all, which would certainly add to the increase of our trade. The Canadian Pacific railway is built entirely within the Dominion and their success indicates our prosperity. We have had the Slocan and Rossland camps furnishing large tonnages of ore and we have the prospects of East Kootenay as well as the Boundary district becoming large shipping centres. The Slocan and East Kootenay are both furnishing ores whose base metal is lead, upon which the United States charges a duty of 1½c. per pound upon its lead contents and 2½c. per pound when the lead ores are treated in our smelters and the product shipped as bullion. Our principal market for the high grade ores are to the smelters of the United States; our miners are prevented in working the lower grade lead ores on account of the excessive duty and the poor facilities that we have at present in treating the lead ores to a commercial product, there being no refinery in the Dominion, besides which the enormous capital invested in the smelting industry in the United States makes it impossible for any corporation unless backed by millions of dollars to compete for the business.

"The smelters at Nelson and Trail are often closed down for the reason of lack of ore. Both these camps produce ore with a copper base, which are free to enter the United States. Both these enterprises are not now in operation, the smelter at Nelson being forced to rely upon the output of their own mines, while the Trail smelter, which is also closed down, had to rely upon the output of the War Eagle, which at present is not shipping. The shipments of last week were quoted in our newspapers as 2,200 tons to the Northport smelter, and 58 tons to the Trail smelter.

"The building of the road now under discussion means merely to add to the

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facilities of the Northport smelter, to capture the larger quantities of copper ores, by reason of the mine being owned, more or less, by Americans, and further that probably the main object of the building of this line of railway along the Kettle River valley is for the purpose of reaching the Republic camp in the state of Washington, situate about 20 miles south of the boundary. It is doubtful whether our mines are sufficiently developed at present to be able to furnish 100 tons of ore per day.

"It is a well known fact that copper ores are most sought after and that the general use of copper is so marked that the price has reached, at present, a high figure.

"The first smelter erected in the province, located at Pilot Bay, paid \$13.75 per ton for its coke—to-day coke from the Crow's Nest is landed at Nelson and Trail for \$7.25 and coal at \$5, and no doubt, if supplied under contract to smelters would be much less; freight rates being \$2.25 as against \$2 when the coke came from Rosslyn.

"The road now being constructed from the Robson country, I am told, will be completed in the specified time and that over 92 per cent. of the grading is now completed. This road has been subsidized by and located within the province, and I am credibly informed, will have cost not less than \$32,000 per mile. This line of road, no matter where it touches, will benefit some point which will furnish trade to our merchants, and it seems absurd that our people should consider for one moment the supporting of an application for a charter which will come in direct competition and whose efforts must be to our detriment in carrying and smelting ores out of the country, especially when every precaution has been taken by the Dominion government to prevent excessive freight charges.

"It is certainly of national importance that both our transportation and mineral interests, in all their different branches, should be conserved to the people of Canada and the stronger these corporations are the better able our people will be to make these enterprises of value.

"The action of the legislature this year demonstrates the fact that provincial interests should not only be protected but such projects of merely local concern should be first directed through our legislature. Upon these principles there ought not to be two opinions and the board should be careful not to stultify their action of last year by making any change.

"Canadian labor should be put upon an equality with American labor and we should demand a better position for the Canadian labor, especially when dealing with the manufacture of the natural pro-

ducts of Canada. Such conditions should be afforded Canadians to manufacture their own raw material at home and sell it in the American market instead of taking that raw material across the line and manufacturing it there—buying the finished product.

"A word upon the Northport smelter. It was pointed out, both to Mr. Corbin and the Le Roi management that the building of a smelter at Northport would be considered a menace to Canadian interests. The matter of erecting a smelter upon the Canadian side was fully gone into and at one time it appeared as though the Le Roi smelter would be located on the Canadian side. The Rossland Miner had advocated its being placed at a place called Sayward, where the best water power and shipping facilities could be had and where sufficient ground could be obtained as a gift. The only objection offered was the question whether lime rock could be obtained near at hand, and upon investigation it was ascertained such lime rock was upon the ground at a place called 'Pug' mine.

"The Northport smelter was looked upon as a political movement by the then management of the Le Roi mine, assisted by the Corbin interests, who owned the town of Northport.

"If the railway line, now projected, is built it will only be for the bringing of the copper ores of Boundary Creek to Northport. The cars returning will take American merchandise to the Boundary country."

The American imports to the three chief points of the Kootenay last year, he found, were:

Rossland . . . . .	\$457,930
Nelson . . . . .	583,697
Kaslo . . . . .	201,318

Total. . . . . \$1,242,865

In concluding, Mr. Davies gave his attention to Mr. Bodwell's statement that the great bulk of the goods consumed in Kootenay—90 per cent.—were of Canadian production. It was officially stated that American goods to the value of \$1,242,865 came into the Kootenay last year, which would make the Canadian goods something like \$12,000,000. And how much of this twelve million dollars' worth of business had been done by the merchants of British Columbia? The best that could be said for the Corbin plan appeared to be that it would enable Eastern merchants to control the greater part of the trade of the British Columbia mining sections. He could not see that it was of advantage to Victorians to endorse this platform, and he accordingly offered the following as an amendment:

"Whereas in the opinion of this board it is the true policy of Canada to further such measures as will bring about the smelting and refining of Canadian ores within the Dominion, thereby building up Canadian towns, and furnishing markets for Canadian agricultural products and merchandise as well as labor for our own people; and whereas this board has already affirmed this principle in connection with the lead smelting industry; and whereas the evident object of the proposed Kettle River railway is identical with that of the Red Mountain railway, namely the carrying of ores out of the country to be smelted in the United States; and whereas such exportation of ores leads to a corresponding importation of merchandise, as is shown by the trade returns of Kootenay; and whereas the necessity for safeguarding Canadian interests in respect to smelting is emphasized by the recent formation of a smelter trust in the United States with a capital of \$65,000,000; and whereas the Canadian Pacific Railway company is now constructing a line of railway from Robson to Penticton, touching all points proposed to be reached by the proposed Kettle River railway; and whereas the Dominion government has reserved the right to regulate and control freight rates and tolls on all Canadian Pacific lines leased, owned or controlled south of the main line in British Columbia, which power precludes all possibility of excessive rates; therefore be it resolved that this board is of opinion that parliament should not sanction the construction of any railway from the United States into the southern portion of British Columbia until our inferior towns and smelting and refining centres have been firmly established and brought into close relation with the Canadian agricultural and commercial centres."

#### MR. C. H. LUGRIN.

Mr. Lugrin seconded the amendment offered by Mr. Davies, and in doing so paid a graceful compliment to Mr. Bodwell upon his admirable statement of the case for Mr. Corbin—a case which all would agree had been stated in the strongest possible manner. Indeed, coming after Mr. Bodwell in this matter all others would necessarily be at a considerable disadvantage, as he had, as he stated, had abundant opportunities to prepare his case, as Mr. Corbin's paid representative which others could not possibly enjoy.

Mr. Bodwell had prefaced his remarks by seeking to disassociate himself on the present occasion from Mr. Corbin—he had he said, come to this meeting as a citizen of Victoria having all his interests in this city and province, bound up with its progress and prosperity.

This all would be quite prepared to believe, but the fact could not be lost sight of nevertheless—and he spoke as a lawyer himself—that it was a poor lawyer who was not prepared to subordinate all other interests to those of his client.

Unconsciously or not, Mr. Bodwell's views were bound to be colored by the interests of Mr. D. C. Corbin. Hence Mr. Bodwell, it was safe to say, had made the very most that it was possible to make of the case for Mr. Corbin—had made an excellent case—but after he had concluded, he (Mr. Lugrin) could at least understand quite well how it was that he had not got the charter applied for at Ottawa last year. For, colloquially speaking, his entire address might be described as special pleading. It was an argument through and through for a particular road—a particular privilege—not an enunciation of beneficial general principles to be followed for the advantage of the province of British Columbia.

And here it was that he took issue with Mr. Bodwell. He felt that it was not for this meeting or the citizens of Victoria to consider why Mr. Heinze had seen fit to reduce his smelter charges; or why the smelter at Northport had been located there instead of somewhere else; or whether Northport had the advantage of Trail as a smelter location. These were not the issues to be faced. The question as he viewed it was what was best for British Columbia in this matter of railway building—and as a sequence best for Victoria, for what benefited the province benefited Victoria.

Mr. Bodwell had made a strong point in his pleading of the great advantage to be gained through the introduction of competition, and in this it was interesting to note the utterances recently of so thorough a student of railway policy as the editor of the Toronto Globe, Mr. Willison, the Globe having been one of the foremost advocates of the Corbin charter. Mr. Willison after thoroughly investigating the question had come to the conclusion that there could be no such thing as railway competition—that it was an impossibility, and that, realizing this, it was the duty of the government to appoint a commission to regulate railway rates. And he had private information that this was at the present time receiving consideration by the government.

If, said Mr. Willison, two railways were found in a territory, each costing a million dollars, it was self-evident that each would have to have its set of officers, its separate machinery of administration, and to earn a profit upon its cost. Throat-cutting would not pay the bills, and so a combination was made to regulate rates to a living basis. If such combination could not be made to adjust the rates to the mutual satisfaction of the two companies, then a pool of earnings was arranged, which could not be prevented, and

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by which the same end was ultimately attained. Across the line in the United States the Interstate law had been devised to prevent railway combination. Yet earnings were pooled and the same result achieved. And if this proposed road were built to-morrow, there was nothing whatever to prevent a combination being made or a pool of earnings arranged that would maintain rates at what would be considered a living standard.

Take the example of the competition, so-called, among the several lines of steamships now catering for the Northern trade. Go into the offices of each and all and it would be found that a standard rate of charges had been adopted; the companies had agreed upon a regulation rate, and there was nothing to prevent them from so doing. The competition was supposed to exist, but did not exist in reality.

Railway competition, so much talked about as a great boon to the land, was in truth very much of a myth. Was there, he asked, any competition between the Northern Pacific railway and the Great Northern railway in the carrying of goods into Seattle? There was not. Or was there any competition in the real sense of the word between the Southern Pacific and the other lines for Portland business? There was not. The competition will-o'-the-wisp was very alluring no doubt, but it would be of more advantage to the people of British Columbia to look about for the best means of making their country contribute to the prosperity of its own people, and think very seriously before lending aid to get this road in from the south.

Mr. Bodwell had made another strong point of Mr. Corbin's rare generosity in offering to give the Dominion government the supervision of the rates on ore hauled over his line. But how much more was it to the interest of British Columbians and British Columbia merchants that the Canadian Pacific railway gave the government jurisdiction to regulate the rate, not only on ore, but upon all freights.

Mr. Bodwell had gone to considerable trouble to correct what he described as the mistakes of the Colonist, in stating that this projected road was to go from one American point to another. And yet in the very next breath Mr. Bodwell had said that it was contemplated to construct a branch into Republic across the line. The only difference was that Mr. Bodwell chose to call the Republic extension a branch, and the Boundary spur the main line, while he (Mr. Lugrin) looked upon the former as the main line and the latter as the branch. The fact remained just the same.

Then, again, Mr. Bodwell had declared with emphasis that Mr. Corbin was building this road, or proposed to build it and operate it, as a business investment. But how was Mr. Bodwell to be taken as authority for what Mr. Corbin might or might

not do in the future? Mr. Corbin had built the Spokane Falls & Northern—and had sold it to the Great Northern. How could Mr. Bodwell say that if he built this line Mr. Corbin might not straight-away sell it on completion to the Northern Pacific railway or the Great Northern railway? The Colonist had therefore been quite right in its assertion that the projector of this road proposed to have its two termini in the United States.

Then, as to Mr. Bodwell's contradiction that the Red Mountain railway had been built as a feeder to the Northport smelter, carrying to that institution in the United States the ores of the Rossland camp. What was the fact to-day? The railway in question is carrying those ores to Northport—a fact that cannot be denied. Whatever the object of the projector of the Red Mountain railway, whatever the cause of that railway's existence, the effect remained self-evident. The Red Mountain railway is diverting the ores of British Columbia for smelting in the United States and the effect of this Kettle River road if constructed would in all probabilities be the same.

But, said Mr. Bodwell, the mine owners can for \$75,000 build a 300-ton smelter for himself. And what chance, he would ask, would this \$75,000 smelter proposition have as opposed to the smelter trust of which Mr. Ker had spoken, with its capital of \$65,000,000? Was it probable that any small capitalist, by comparison, would invest his \$75,000 in opposition to a trust of \$75,000,000? Or if he did what were his chances in the fight?

Mr. Bodwell, he was glad to see, had shown great appreciation of the wealth of the Boundary country in natural resources; the mineral wealth of this great district was unquestionably magnificent. Then why not develop it for the benefit of ourselves and not our neighbors?

One of Mr. Bodwell's arguments had been very much of a surprise to him. Mr. Corbin's advocate had read an official telegram saying that during the last three months 620,000 pounds of Canadian freight came into Kootenay—and he spoke of this as something unusually gratifying to Canadians. Six hundred thousand pounds would be something like 300 tons, and this for the quarter, meant only about 100 tons of Canadian freight per month. He did not know whether any of the railway men present could inform the meeting, but it certainly would be interesting to know what the total of freight receipts in Kootenay were—

Mr. George McL. Brown—from 1,200 to 1,800 tons per week is the average haul into West Kootenay.

Mr. Lugrin repeated the information, in amazement that Mr. Bodwell should have stated the Canadian receipts under such circumstances. Here was as strong evidence as any man would desire that Canada, and British Columbia as a part of

Canada, should be up and doing to combat the southern competition that was apparently getting all the trade of the country.

Mr. Bodwell in prefacing his remarks had made a special declaration of his position before the meeting, not as an advocate for Mr. Corbin, but as a citizen of Victoria. And yet, if Mr. Bodwell came before the meeting simply as a citizen of Victoria, he could hardly have forboreen to make some reference to what the Canadian Pacific railway had done and is doing for the development of the country, not only in railway building, but—as stated over the signature of its vice-president—in the erection of smelters through the country, in order to develop its resources in the best possible manner, while creating thriving towns at the mouth of the mines. If Mr. Bodwell had come forward simply as a citizen, he could scarcely have helped showing the two propositions in contrast—allowing the meeting then to examine them intelligently and choose between.

For his own part, he (Mr. Lugrin) wanted to see all parts of the rich mineral district in question prosper; he wanted to see mines opened, towns arise, smelters in operation, and a market created for the rich agricultural sections of Yale—contributing to Canadian enterprises and the prosperity of the Canadian people, and not those of the country to the south, at the expense of our own.

The amendment that had been offered, and which in concluding his remarks he proceeded to read, was the logical result of the several preambles—and these in turn were indisputably justified by the facts.

It was 6 o'clock when Mr. Lugrin concluded his remarks, and as there were other speakers who wished to present their views—while yet others desired opportunity to consider the arguments pro and con before casting their votes—Mr. W. H. Ellis moved, seconded by Mr. J. H. Todd, that the debate be adjourned until 3 o'clock on Wednesday. This motion finally prevailed.

Attending the meeting were the following members of the board: G. A. Kirk, C. A. Holland, W. J. Pendray, R. H. Hall, E. V. Bodwell, S. Jones, Capt. J. G. Cox, B. W. Greer, W. Walker, Hon. B. W. Pearse, A. E. Greenwood, John Piercy, C. T. Dupont, C. E. Renouf, T. W. Paterson, C. H. Lugrin, Joshua Davies, D. R. Ker, James Mitchell, T. H. Bone, Lindley Crease, R. T. Williams, T. S. Fletcher, W. H. Evans (the new manager of the Canada Paint Co.), A. Henderson, William Jensen, J. H. Todd, H. Cuthbert, J. S. Harvey, C. F. Todd, H. Robertson, John Nicholles, Hon. Fred. Peters, H. D. Helmcken (M.P.P.), A. G. McCandless, H. B. W. Aikman, E. E. Wootton, F. C. Davidge, Clive Phillips-Wolley, H. P. Bell, Charles Hayward, T. N. Henderson, D. W. Higgins, A. St. G. Flint, F. Elworthy, William Wilson, W. H. Ellis, S. Leiser, B. Boggs, William Munsie, Capt. C. E. Clarke, R. Hall (M.P.P.), Capt. Will-

iam Grant, L. G. McQuade, G. McL. Brown, E. E. Blackwood, R. Seabrook, Jacob Sehl, A. L. Belyea, E. M. Johnson, W. J. Hanna, Max Leiser, W. T. Andrews and J. J. Shallcross.

## CONCLUSION OF THE DEBATE.

The members of the British Columbia board of trade present at yesterday's adjourned meeting voted to rescind their council's resolution of February 25 last year, which declared against Mr. D. C. Corbin's application for a charter for his proposed railway from the state of Washington into the Boundary Creek district of British Columbia, via the Kettle River valley. The result was not altogether unanticipated, and there is this to be said of the debate leading up to it—that it was not only the first to provoke a two-day meeting of the board, but at the same time the most thorough, exhaustive and interesting of any discussion in the history of this representative body. The organization and tactics of Mr. Corbin's friends and supporters for the second day were excellent, and the addresses of Messrs. C. E. Renouf, A. G. McCandless, Lindley Crease, T. W. Paterson and J. J. Shallcross, the last gentlemen more particularly, left no argument unadvanced that could be presented in support of their proposition. It was left for Mr. William Wilson to move, and Mr. R. T. Williams to second, the resolution that was finally adopted, while Mr. D. R. Ker, Mr. Joshua Davies and Mr. C. H. Lugrin made the last and a gallant stand for the opponents of the principle involved.

The second day of the debate brought to the board room an even more numerous gathering than that of Tuesday, the members present—with Mr. W. H. Evans and Mr. Charles Pickford as guests—being: Messrs. G. A. Kirk (presiding), B. W. Pearse, John Nicholles, J. A. Sayward, T. W. Paterson, C. H. Lugrin, H. Hirschel-Cohen, R. T. Williams, W. J. Hanna, Joshua Davies, L. G. McQuade, Capt. J. G. Cox, H. P. Bell, E. B. Marvin, C. E. Renouf, J. H. Todd, A. G. McCandless, J. S. Harvey, E. V. Bodwell, James Mitchell, J. T. Bethune, William Jensen, T. N. Henderson, W. Walker, Lindley Crease, C. F. Todd, D. R. Ker, W. H. Bone, William Munsie, R. H. Hall, William Wilson, A. L. Belyea, Beaumont Boggs, D. W. Higgins, M.P.P., Luke Pither, F. Elworthy, S. Leiser, E. M. Johnson, H. D. Helmcke, M. P. P., H. E. Robertson, A. St. G. Flint, Senator William Templeman, H. Cuthbert, A. C. Flumerfelt, Steven Jones, A. Henderson, B. W. Greer, Richard Hall, M. P. P., Capt. William Grant, Clive Phillips-Wolley, R. Sea-

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Peters.

Messrs. Ellis and Todd waiving their  
right to resume the debate, the original  
resolution and the amendment thereto  
offered by Mr. Joshua Davies were  
thrown open to general discussion at  
3:20.

Before the debate proceeded, however,  
a little preliminary skirmishing was  
initiated by Mr. McCandless, who held  
that the amendment offered was not  
strictly in order, as involving matters  
foreign to the motion it proposed to  
amend—that it was in reality a substan-  
tive resolution.

Mr. Lugrin defended the admissibility  
of the amendment, and Mr. William  
Wilson declared that rescinding the reso-  
lution of last year would be in no way  
an endorsement of the Corbin project, but  
would merely leave the board free-  
handed to act as the members now  
thought fit.

Mr. Higgins, as a local authority on  
practice and procedure, maintained that  
the amendment was quite in order, dealing,  
as did the resolution, with the subject of the Kettle River railway; while  
Mr. E. V. Bodwell thought otherwise—  
he had always understood that an  
amendment must be germane to the  
substance of the original motion. Mr.  
Davie thought that the objection, even  
if well-founded, came too late, and Mr.  
McCandless finally abandoned his conten-  
tion.

Then Mr. J. S. Harvey proposed the  
following as an amendment to the  
amendment:

"Whereas no request has been made  
to this board by any person promoting  
the Kettle River Valley railway, for an  
endorsement of the project, and no one  
representing the promoter or promoters  
has officially taken this board into his  
confidence and disclosed the personnel  
of the promoters and the nature of their  
plans, thereby leaving this board to deal  
with this important question only on  
hearsay and newspaper reports; there-  
fore be it resolved that the further con-  
sideration of this question be postponed  
until full information has been submit-  
ted to this board by the person or per-  
sons promoting the railway."

Hon. B. W. Pearse seconded this in  
order—as he explained—to bring the  
business before the board down to a  
business basis. Personally, he did not  
know who the promoters of this road at  
the present time might be. Mr. Bodwell  
had made a very eloquent and a very

thorough exposition of the project, but  
he had thrown no light on this very  
essential particular. He had heard it  
said indeed that Mr. Corbin was no  
longer identified with the project, and  
it certainly was only fair that the board  
should know who was behind the scheme  
before going further. As a matter of  
fact, figures and details had been quoted  
to him in connection with the statement  
that Mr. Corbin had sold out.

Replying to Mr. Pearse, and speaking  
upon the amendment to the amendment,  
Mr. Bodwell denied that this meeting  
had been called at his instigation, and  
again outlined how the presentation of  
the matter had been brought about. He  
had been asked by Mr. W. A. Ward,  
vice-president of the board, if Mr. Cor-  
bin intended to press his Kettle River  
railway project this season, and had  
replied affirmatively, and it was Mr.  
Ward's suggestion originally that he lay  
the facts of the case before the board.  
He had received a telegram from Mr.  
Corbin requesting him to take all neces-  
sary steps to push the matter at Ottawa,  
and he was doing so. He hoped that Mr.  
Pearse would take his word—and he  
spoke now as Mr. Corbin's solicitor and  
in the fullest knowledge of that gentle-  
man's plans—when he said that there  
was no one save Mr. Corbin connected  
with this railway project. If the efforts  
now being put forth were successful and  
the road was built, it would become the  
sole property of Mr. Corbin—who was its  
sole projector.

After some further desultory debate  
upon the questions introduced by the  
amendment to the amendment, it was  
withdrawn by Mr. Harvey with consent  
of his seconder.

The debate upon Mr. Davies' amend-  
ment was then resumed.

## MR. C. E. RENOUF.

In asking the board to reject the  
amendment offered by Mr. Davies, and  
accept the original resolution, Mr. C. E.  
Renouf, its seconder, complimented Mr.  
Bodwell upon his able presentation of the  
case of Mr. Corbin, and maintained that  
neither Mr. Ker, Mr. Davies, nor Mr.  
Lugrin, in their several criticisms, had  
been able to refute a single argument  
advanced by that gentleman.

Mr. Ker's remarks, as he had inter-  
preted them, were all in the direction of  
showing that if the Corbin road were  
defeated, a great benefit would be  
brought about for the farmers of the  
Northwest Territories. And while he  
duly admired the sentiments of Can-  
adianism here expressed, he could not  
but feel that Victorians might well ex-  
pend their energies in the development and  
advancing of countries nearer home  
than the Northwest Territories.

This district in his opinion had been already sufficiently favored through the construction of the Crow's Nest road, by which Mr. Ker asserted oats might even now be shipped from Edmonton into Kootenay for \$7.50 per ton. If on the other hand this railway proposed by Mr. Corbin were to become a reality, giving convenient access to the Boundary Creek country for the farmers of the Fraser valley, the farms of that important section of our own province would very quickly blossom like the rose.

Mr. Lugrin's argument had been chiefly that one railway in a country was a greater advantage than two—a proposition that very few business men would be found to endorse. In opposition to this conclusion he cited Sir William Van Horne himself, as declaring, at a meeting in Boston, of the Chamber of Commerce of that city (he was reading from a recent work on Canada by Cassell Hopkins) that railway competition "was the safety valve of commerce"—this observation being in connection with the assertion that in the competition of the Canadian Pacific lay the protection of the business interests of the United States from unfair treatment at the hands of their own railways.

Now following out Mr. Lugrin's plan of what would be best for British Columbia, the C. P. R. would be given absolute control of the mining region of British Columbia, with their great loop of which the Crow's Nest road already formed an important portion. For his part he did not believe in the cutting off of the Northern Pacific and Great Northern competition—to paraphrase the words of the president of the C.P.R., he looked upon the competition afforded by these roads as constituting "the safety valve of commerce" for the people of this province.

#### MR. A. G. McCANDLESS.

Prefacing his remarks upon the amendment, Mr. McCandless, the mover of the original resolution, wished to make it plain that he spoke in this matter not as a wholesaler; not as one having any interests in Kootenay at the present time; and not as a friend of Mr. D. C. Corbin, whom indeed he would not know were he to meet him on the street. He spoke as a Victorian and a British Columbian, and one desiring to see the province advance, and American railway competition play its natural part in promoting the development of the country.

As for Mr. Davies' amendment, he recalled that it was not so many years ago that Mr. Davies himself had been found taking an active interest in Mr. Corbin's former enterprise, the Nelson & Fort Sheppard road, which Mr. Davies

had done all in his power if he remembered to see carried through. Now Mr. Davies came before the board to say that he could see no reason for the board changing from its attitude in this railway matter a year ago. On the other hand, he would ask, what reason was there for Mr. Davies changing his views since the time of his supporting the Nelson & Fort Sheppard project?

The fact that Mr. Corbin had not seen fit to accept a certain townsite known as Sayward would probably be found to be at the bottom of Mr. Davies' change of front; had this townsite been accepted, he had no doubt that Mr. Davies would be pulling to-day for, and not against Mr. Corbin.

Referring more particularly to the resolution of the council of the board passed last February, and which it was proposed now to rescind, he might say that it had been passed by but eight members, some of whom did not at the time understand the question, while others had since then had reason to change their minds, and would be found voting for the Corbin charter.

The only rational argument that he had heard advanced against the building of this proposed road was that with it in operation American roads would be given an unfair advantage over the British Columbia goods in the Boundary Creek country. In this connection it had been stated that the experience of Kootenay was an object lesson in support of this contention. He had therefore taken the trouble to investigate this aspect of the case, and referring to the board of trade report, he found that there had been in the past few years a falling off of \$95,000 in the Kootenay collection of duties, indicating plainly that the consumption of American goods in that district was on the decline.

Again, he had gone to Collect Milne, and he had obtained information from that gentleman that of Victoria's total importations of \$4,979,000.65 last year, goods to the value of \$3,162,000 were American; \$200,000 represented the Kootenay importation of American goods, the population there being equal to, if not larger than, that of Victoria and the district tributary, and he therefore concluded that American goods were not as such in evidence in the Kootenay as they were here in Victoria.

Mr. Ker rejected the observation that there certainly was no such quantity of American goods as had been mentioned consumed in Victoria; did not Mr. McCandless quote the figures for the entire province? If not—if he were correct, it only meant that Victoria distributed the goods in question, no doubt sending a large portion up to

he remembers. Now Mr. McCandless continues, "I say that the board of this railway on the other hand, was there views since we Nelson &

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Kootenay, in addition to the direct imports of that district.

Mr. McCandless, continuing, observed that in the Victoria importations he found \$112,000 worth of oats, flour and grain from the United States, Mr. Ker himself being the leading importer.

Mr. Ker—We have never imported a single American oat.

Of course, said Mr. McCandless, I do not blame Mr. Ker in the matter at all. It is business for him to import from the United States. But why should he not allow the people of Kootenay and the Boundary country the same privilege? Why should they not be on equal terms with ourselves in the conduct of their business interests?

Mr. Lagrinn—Mr. McCandless' argument, then, is that this road in question should be built in order that the American business men may find a market in the Boundary country?

Mr. McCandless replied that the people of the Boundary country should be allowed to deal with the market that they found most profitable to them, in the same manner as Victoria merchants. Certainly Victorians should not interfere or endeavor to tie their hands.

As to the Northport smelter, which had been so violently attacked for taking the ore of British Columbia out of the country for treatment, the fact remained that by sending their ores to Northport for smelting, the mine operators of the Rossland camp were able to effect a saving equal to their entire pay roll.

The charges of smelting at Northport were \$2 per ton less than those of Trail, and this saving in the cost of production naturally enabled more mines to be operated, and at a less production cost, indirectly increased the value of Rossland real estate three-fold, and turned the straggling mining camp into a prosperous city.

In their attacks upon the United States smelters for treating the British Columbia ores, the enemies of the Corbin road had in his opinion paid entirely too much attention to the smelters and too little to the interests of the mines, to which the smelters were in reality subordinate.

Again the enemies of the Corbin road asserted that it should not receive support because the C. P. R. proposed to establish a circuit of smelters that would do the work of all the district. To this proposition also he was opposed. The friends of the C. P. R. had maintained that it would be useless for private enterprise to think of building and operating smelters in British Columbia, because a smelter trust had been formed in the United States with \$65,000,000 of capital.

Then what chance, he would ask, had the private smelters to exist in opposition to the C. P. R. with its \$100,000,000 of capital? The C. P. R. in its smelting operations would not only have the superior advantage of this immense capital; it would have, too, full control of the freight rates and of the coal and coke supply—in fact, no other smelting proposition could enter the field, and this meant practically that the C. P. R. aimed to secure a monopoly of the mining interests of the province.

This was certainly a policy of which he could not, as a British Columbian, approve. He believed thoroughly in the principle of getting in all the railways possible—especially when, as in the present case, they asked no assistance from the province. He hoped to see Mr. Corbin get his charter and build his railway. Victorians could have no legitimate objection, and the natural result would be to open the Boundary country, not to a monopoly, but to general competitive trade, creating there a population that in less than two years would be greater than that of Victoria.

Finally, he contended that so earnestly did the people of the Boundary district desire to see this project carried through, in the event of the board of trade expressing an antagonistic opinion, travellers for Victoria business houses would get very few orders when they next visited the country in question.

#### MR. LINDLEY CREASE.

After expressing his thorough satisfaction with Mr. Bodwell's presentation of the case for the Corbin road, Mr. Lindley Crease said that he had felt considerable compassion for Mr. Corbin's solicitor in the position in which he had found himself—being in the best possible position to lay the entire facts before the board, and yet being certain that whatever he had to say would be accepted with a certain amount of skepticism in view of his professional relationship with the project. He had himself, although a lawyer, no professional interest whatever in this project, with Mr. Corbin, the C. P. R., or any one else directly interested. He had, however, investigated the matter thoroughly, and had formed the independent conclusion that the proposed road would be a good thing for British Columbia—although he was still open to conviction if arguments could be found on the other side more potent than those that presented themselves to him. To put the matter concisely, the whole question seemed to be summed up in two propositions: On the one side it was stated that the board should not support the Corbin charter, as it would give an outlet for British Columbia ores in the United States, and facilitate the importa-

tion of American goods by the residents of the Boundary country. On the other side, it was said the board should support this railway, as it would give railway competition, which had been described, not inaptly, as the safety valve of commerce. He could not look with favor upon Mr. Lugrin's argument that there was nothing in railway competition—that railways in competition enjoyed, by combination or pooling of interests, relief from the natural effects of competition. The experience of British Columbia and of every other province was against this contention. What did we see now, in view only of a promise of competition? That the C. P. R. had awakened to an unusual activity in railway building in the districts in question. The carrying out of the plan for competition would be equally good for British Columbia in the production of new rates and general concessions calculated to promote the progress and development of the province. Again, an appeal had been made to the citizens of Victoria, as represented by the board of trade, to oppose this railway on patriotic grounds. He did not see that there was any force in this. No one could be found who was more heartily patriotic than himself—a native-born British Columbian and one who was proud of the title. It certainly appeared to him that opposition to the present plan for securing railway competition was false patriotism—to endeavor to exclude the advantages of trade that would work for the upbuilding of our own country. Nor could he see how it could be esteemed good policy to allow railway lines to cross and re-cross the boundary line in Eastern Canada and bad policy to do the same thing in this province.

#### MR. T. W. PATERSON.

Mr. T. W. Paterson contended that the remarks of the several opponents of the Corbin road had been inspired by self-interest. Mr. Ker, for example, had taken the trouble to write a letter to the press even before the matter came before the board in which he rejoiced in the fact that a rate of \$7.50 had been obtained, by which oats could be taken into Kootenay from the Northwest. To what extent, he asked, did this benefit the people of British Columbia? The people of the Northwest did not pay any portion of the British Columbian's taxes, then why should we rejoice that they were given a market that was closed to our own farmers? The fact could not be controverted that while the C. P. R. was thus assisting the producers of Manitoba and the Northwest to get the trade of Kootenay our own farms in the Fraser valley could not be worked for the want of a favorable market. A surplus was to

be dreaded most of all on the Fraser, because even with a limited production the farmers there were unable to sell their goods at cost. Provide a market such as this Corbin road aimed to present for British Columbians and there would not be an acre of land in the Fraser valley that would not be worked to the limit of its capacity. At present, as Mr. Ker had explained, a preferential rate was being made by the lines which British Columbians had subsidized for the advantage of the Northwest producers who thereby cut British Columbia's farmers out of their own market. If the farmers of our province could not get equal rates and equal rights with their Eastern competitors he for one thought it was high time we should be up and doing to obtain competition through an American line. Again, as to the value of railway competition, he emphatically denied that such competition was not to the benefit of the country. Where a railway found a rival in the field it was forced to improve its equipment and keep it up to date; it was compelled to afford a modern service, and it could not but give fair rates. Competition, he asserted, was the only cause that had produced a living rate to Victoria by which Eastern freight could be brought in and re-shipped to intermediate Eastern points. If the efforts of the opponents of this project were successful and the railway defeated, it meant the giving over of the control of the richest mining region in all the world to the greatest of monopolies—to one railway company—and thus giving British Columbia a blow from the effect of which it would probably never recover. California's experience surely taught the unwisdom of such a course—California, where the monopolistic railway had so cursed the land that—finding their efforts to obtain capital in the world's markets frustrated—they had finally to subscribe the money themselves to build an opposing road. If the C. P. R. were permitted to carry out its plans for building through from Penticton it would be impossible at any future date to parallel their system and give it competition, no matter how essential that competition might be to the prosperity of the country and its inhabitants. Another great danger was found in the contemplated establishment throughout Kootenay and the other mining districts adjacent to a C. P. R. smelter monopoly, the smelting business being naturally altogether foreign to the railway business. The C. P. R. smelters would naturally be operated so as to contribute to the success and earnings of the railway, and with the railway behind it the smelter trust would be enabled to coerce the mining interests and eventually monopolize these too—the

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railway not only operating the smelters but controlling the freight rates and fuel supply as well.

The railway smelters would fix a price for ore, based upon the low grade ore value, and what would be the position of the owner of a mine turning out higher grade ore? He would be offered by the smelter buyer the price established by the smelter people, and if he ventured to interpose that his ore was of much higher worth, he would be told "there is our price—you can take it or leave it alone."

What could he do? The railway would not give him a fair rate by which he could market his ore at any outside smelter—if such a smelter could have an existence—and his mine would therefore either have to remain dead property on his hands, or he could accept the price offered by the smelter to his own disadvantage. In the other event he could sell his property to the smelter—at a price fixed by the buyer.

Here was the ultimate conclusion to which the present plans of the C. P. R. lead. Would it then, he asked, be fair to the mining men of British Columbia for a Board of Trade to lift its hand in the direction of putting the mines and their owners in this position?

With reference to the shorter route from the Coast, which was a subject of direct interest to Victorians: If the C. P. R. was allowed to carry out its Penticton road plans, without competition as now proposed from the south, how would it be possible to carry out a project for a road from the Coast? Such a road would simply have to tie on to the C. P. R. at its terminus, and the C. P. R. would dictate terms to it.

Whereas with the present road constructed a future road from the Coast would have its choice of two lines to tie on to and each would be ready and willing to offer fair terms—the construction of the Corbin road therefore meant going a long way toward securing a second and shorter route from the Coast eastward. With such a road he firmly believed the population of Victoria as well as that of Vancouver would more than double in less than two years while the property of the whole province would be increased many fold.

Then again, it had been said that the C. P. R. should be supported inasmuch as it was a Canadian institution. Did the C. P. R. when they had new lines to build, as instanced very recently, give home people an opportunity to build those lines on anything like fair terms? On the contrary, the first thing that was done was to go to St. Paul for a contractor.

As a matter of fact, the record of the past showed that the C. P. R. had never at any time risked a dollar in the open-

ing up of any section of British Columbia. In Kootenay Mr. Corbin had provided a railway that was the first factor in development—building it because he had confidence in the resources and the future of the country, and building it in the face of the opinion of his friends and in fact of almost everyone, that by doing so he would be a ruined man.

When Mr. Corbin had proved the richness of the country, the C. P. R. came in to crowd out the pioneers of development. The same thing applied in other railway building in Kootenay. Then other local people saw the opportunity of making money through establishing a steamship service on the lakes and rivers. They inaugurated such a service, and were earning good dividends as a result of their enterprises, when the C. P. R. stepped in and said—you must give this business up to us. Mr. Heinze, with commendable far-sightedness saw that a smelter would pay. He built a smelter and a railway to feed it; then appeared the C. P. R. when all was done, and said you must sell out to us at our price. And this was what happened.

The C. P. R. always waited for some one else to make the venture, and when others had proved that a thing was good, then entered the railway corporation to compel a forced sale to itself. The C. P. R. had never yet put a dollar, he asserted, into anything that was not a sure thing.

If in the present case the Corbin road was defeated, the people of British Columbia could look forward to the C. P. R. very quickly making the Boundary country, having a monopoly of it, the dumping ground for all their worn out rolling stock, and dilapidated engines—with corresponding poor service, after the manner of that given the people on the Shuswap & Okanagan. Nor did he blame them as business men, whose purpose it was to put every dollar possible into the pockets of the shareholders.

The gentlemen at the head of the C. P. R. were, as he had said, good business men, the best in the world, and amply able to take care of themselves without the assistance of Victorians, who, if they went to the rescue, would do so at their own expense.

Mr. D. R. Ker, briefly replying to Mr. Paterson, corrected the statement that any hay was taken into Kootenay from Edmonton to kill the market for the Fraser river product. As a matter of fact there was no hay offered from the Fraser that was not bought here at the highest market price; while he could from his own business experience bear testimony that the C. P. R. had been especially active in the making of rates that would enable the producers of this province to meet the competition of those

in the Colville valley, who were the keenest competitors for the trade in question.

The C. P. R. had indeed given a \$2 better rate to Kootenay in order to foster agricultural development in this province, and enable the producers to market their wares to the very best advantage. For farm produce from the Coast to Kootenay, a 520-mile haul, the C. P. R. since February 1, 1897, had given a rate of 35 cents a hundred—this being with the distinct object of enabling British Columbia producers to compete successfully for the Kootenay trade, which prior to the C. P. R. taking control of the Columbia & Kootenay steamers had been enjoyed entirely by the producers south of the line.

From the Kamloops section, over 300 miles of a haul, a 30-cent rate had been made; from the Okanagan valley (where there could be no competition, let it be borne in mind), a 25-cent rate; from Kelowna, 28 cents; and from Edmonton, 35 cents. The charge at the same time from the Palouse country, south of the line, to West Kootenay points (a haul of something like 150 miles only), the rate was 45 cents; and from Colville, but 60 miles away, 25 cents. These were open rates, and he left it to the board to say whether or not they did not declare the policy of the C. P. R. for the assistance of the British Columbia farmers.

Mr. Paterson observed that he had been quoted a rate of \$8.30 by the C. P. R. from the Fraser Valley to Revelstoke, which was only about half way to Kootenay; and Mr. Bodwell remarked that the C. P. R.'s Okanagan rate was low because the goods from that section had to compete with goods from the American side hauled over American roads.

#### MR. J. J. SHALLCROSS.

The last advocate for the Corbin charter and "railway competition" was Mr. J. J. Shallcross, who declared that where the C. P. R. had competition in ore hauling in the Kootenays, a rate of \$6 less per ton was made for a longer haul than for the carriage of similar ore from points where no competition was had.

In the matter before the board he held that two parties were directly interested—the people of Victoria and the people of the Boundary country. The latter were, he understood, unanimously in favor of the proposed competitive line, and he could not see why Victoria should not endorse their stand.

As to the smelter at Northport, he learned that it was at the present time smelting ores from the Rossland camp for less than \$5 per ton, whereas the Trail smelter had formerly charged \$10 and now asked \$7. In the event of the

ore being smelted at home, he asked, would the saving in the cost of the haul and the \$3 per ton rebate on duty be given over to the mine owner? It would not.

If he was wrong and these benefits did accrue to the owners and workers of the mines, and not go into the pockets of the British and United States shareholders of the Canadian Pacific railway, the Canadian smelters would certainly get the business in any event, as a simple business proposition.

Looking at the matter from his standpoint, railway competition both in rates and in quickness of despatch were essential if the merchants of British Columbia were to compete successfully with the business men of Winnipeg and Montreal. What the British Columbia people wanted was a railway that would feed all the smelters on equal terms and give Victoria and Vancouver merchants a fair chance at the business of the new mining districts opened up.

He had no enmity for the C. P. R.; its managers deserved every credit for their enterprise. But at the same time the people of Victoria would also deserve credit for their enterprise if they did all in their power to give the C. P. R. legitimate competition.

As to the safeguard to British Columbia merchants in the government having control of the C. P. R. rates—he failed to see it. The government would be guided by the fact that the greatest influence existed in the East, and would fix the rate so that the most benefit would be enjoyed by the Eastern merchants.

And if, as had been suggested, the Great Northern railway or the Northern Pacific railway did absorb this short line projected by Mr. Corbin as soon as it was completed, would not this be the best possible security for fair rates for Victoria and Vancouver merchants, and the best thing in every way for the province of British Columbia?

He urged in conclusion the negativing of the amendment, and the adoption of the original resolution.

Mr. Davies, as the mover of the debate, briefly closed the debate upon it, tracing the history of the several Kootenay enterprises in which he had been associated with Mr. D. C. Corbin, inclusive of the Nelson & Fort Sheppard line, the possibilities of which he had first brought to Mr. Corbin's attention. He replied to the remarks of Mr. McCandless, defending himself from the imputation of personal interest; and in conclusion urged that if it should be deemed best in Victoria's interest to support the application for this charter, an obligation should be made upon Mr. Corbin that he would continue the road up to Penticton,

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On the conclusion of Mr. Davies' remarks, the vote was taken, the amendment being negative and Mr. McCandless' resolution carried.

Mr. William Wilson then introduced the following resolution, seconded by Ald. R. T. Williams:

"Whereas railway competition has always acted as a "safety valve" to commerce.

"Whereas a railway known as the Kettle River railway is projected from Northport in the state of Washington to Boundary Creek in British Columbia and application is now being made to the Dominion parliament for a charter.

"Whereas it is essential to the progress of the Boundary Creek country that it should have the benefits of connection with the trans-continental railways to the south as well as to the north.

"Whereas the above named railway would be of very material benefit to the Coast cities.

"Be it resolved: That this Board of Trade urge upon the Dominion government the necessity of granting a charter to the Kettle River railway, and that a copy of this resolution be forwarded to Right Honorable Sir Wilfrid Laurier; Hon. A. G. Blair, minister of railways; the chairman of the railway committee of the House of Commons, and the senators and members for British Columbia now at Ottawa."

Speaking to this, Mr. Lugrin again regretted that the board had seen fit not to give further consideration to the point contained in the amendment proposed by Mr. Harvey—that no application had been made for the endorsement of this proposition by the parties directly interested, and that indeed, no facts concerning it had been formally laid before the board by Mr. Corbin or his representatives.

Then again Mr. Paterson had dilated at great length upon the terrible danger that menaced British Columbia through the grasping, monopolistic tendencies of the C. P. R., and had intimated that this projected sixty mile railway was the only thing that stood in the way of the C. P. R. obtaining absolute control of the mining regions of British Columbia.

Would it not then be well, if the board decided to endorse the application for this charter, that they should insist upon some obligation from Mr. Corbin that he would not sell out to the C. P. R. as soon as his line was built, and thus put

British Columbia at the mercy of the Canadian railway?

And would it not also be well, as Mr. Davies had suggested, to insert another proviso that the Corbin line should be continued through to Penticton, and that its owner would do all in his power to encourage rather than discourage the erection and operation of smelters in the Boundary country?

The suggestions were not acted upon, and having adopted Mr. Wilson's resolution, the board adjourned.

NOTE—The result of the voting on the resolutions and amendment is stated in the Victoria Times of the 23rd March, as follows:

This concluded the speeches, and the chairman submitted the different propositions before the meeting, to a vote. The amendment submitted by Messrs. Davies and Lugrin was first submitted.

For the affirmative thirteen hands were raised, and when the secretary announced the result of his count, Mr. Belyea provoked laughter by remarking that it was an unlucky number. The motion was negative by a vote of 54 to 13.

The main motion, proposed by A. G. McCandless and C. E. Renouf, rescinding the board's motion of last year, opposing the charter, was then submitted and carried on the same vote amid loud applause.

Mr. William Wilson then proposed the following resolution, which, seconded by Ald. R. T. Williams, was enthusiastically endorsed:

"Whereas a railway known as the Kettle River Railway is projected from Northport in the State of Washington, to Boundary Creek, in British Columbia, and application is now being made to the Dominion parliament for a charter.

"Whereas it is essential to the progress of the Boundary Creek country that it should have the benefits of connection with the trans-continental railways to the south as well as to the north.

"Whereas the above-named railway would be of very material benefit to the coast cities.

"Be it resolved: That this Board of Trade urge upon the Dominion government the necessity of granting a charter to the Kettle River Railway, and that a copy of this resolution be forwarded to Right Honorable Sir Wilfrid Laurier, Hon. A. G. Blair, minister of railways, the chairman of the railway committee of the House of Commons, and the senators and members for British Columbia now at Ottawa."